

CHANGES TO FLEXIBLE SPENDING ACCOUNTS (FSA), EFFECTIVE JANUARY 1, 2011

The new Health Care Reform bill, the Patient Protection and Affordable Care Act (PPACA), imposes new restrictions on FSAs. Effective January 1, 2011 certain over-the-counter (OTC) drugs and medicines will require a Note of Medical Necessity (NMN) or a prescription from a doctor to be considered an eligible expense.

■ Through December 31, 2010

- OTC drugs and medicines are eligible for reimbursement without a prescription.
- Healthcare debit cards can be used to purchase eligible OTC drugs and medicines.

Beginning January 1, 2011

- Over-the-counter (OTC) drugs and medicines will be considered ineligible expenses unless you have a Note of Medical Necessity (NMN) or a prescription from your physician.
- Healthcare debit cards cannot be used to purchase OTC drugs and medicines. If a healthcare debit card is used to pay for these items after January 1, 2011, the transaction will be denied at the point-of-sale. In this case, you will need to pay for the expense out-of-pocket and submit a claim, along with NMN or prescription, to be reimbursed.

Examples of OTC Drugs and Medicines Requiring a Prescription

• Acid Controllers	• Cough, Cold & Flu
• Acne Medications	• Digestive Aids
• Allergy & Sinus	• Feminine Anti-Fungal/Anti-Itch
• Antibiotic Product	• Hemorrhoid Preps
• Anti-Diarrheals	• Laxatives
• Anti-Gas	• Motion Sickness
• Anti-Itch & Insect Bite	• Pain Relief
• Anti-Parasitic Treatments	• Respiratory Treatments
• Baby Rash Ointments/Creams	• Sleep Aids & Sedatives
• Cold Sore Remedies	• Stomach Remedies

Please note that this listing is subject to change at any time and without notice due to new legislation.

Please see the attached list of eligible healthcare expenses that will not require a NMN or prescription.



KNOW YOUR FSA ELIGIBLE AND INELIGIBLE EXPENSES

The Flexible Spending Account (FSA) is an IRS-sanctioned benefit, meaning you can use pre-tax dollars to cover eligible expenses. The IRS defines eligible health care expenses as amounts paid for the diagnosis, cure, mitigation or treatment of a disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate a physical or mental defect or illness. To help you better understand what is and isn't eligible, we've developed a list of both. This list is not meant to be all-inclusive. Other expenses not specifically mentioned may also qualify.

Baby/Child to Age 13

- Lactation Consultant*
- Lead-Based Paint Removal
- Special Formula*
- Tuition: Special School/Teacher for Disability or Learning Disability*
- Well Baby Care

Dental Services

- Dental X-Rays
- Dentures and Bridges
- Exams/Teeth Cleaning
- Extractions and Fillings
- Gum Treatment
- Oral Surgery
- Orthodontia/Braces

Hearing

- Hearing Devices and Batteries
- Hearing Exams

Lab Exams/Tests

- Blood Tests and Metabolism Tests
- Body Scans
- X-Rays
- Cardiographs
- Laboratory Fees
- Spinal Fluid Tests
- Urine/Stool Analysis

Vision Services

- Eye Examinations
- Eyeglasses
- Contact Lenses and Contact Lens Supplies
- Laser Eye Surgeries
- Artificial Eyes
- Prescription Sunglasses
- Radial Keratotomy/LASIK
- Reading Glasses

Medical Procedures/Services

- Acupuncture
- Alcoholism (inpatient and outpatient treatment)
- Ambulance
- Drug Addiction
- Hospital Services
- Infertility Treatment
- In Vitro Fertilization
- Norplant Insertion or Removal
- Physical Exam (non employment related)
- Reconstructive Surgery (if medically necessary due to congenital defect or accident)
- Service Animals*
- Sterilization/Sterilization Reversal
- Transplants (including organ donor)
- Transportation*
- Vaccinations / Immunizations
- Vasectomy and Vasectomy Reversal

Medical Equipment/ Supplies

- Abdominal / Back Supports
- Air Purification Equipment*
- Arches / Orthopedic Shoes
- Band-aids
- Braces and Supports
- Contraceptive Devices
- Crutches and Wheel Chairs
- Elastic Bandages and Wraps
- Exercise Equipment*
- First Aid Supplies
- Hospital Bed
- Mattresses*
- Medic Alert Bracelet or Necklace
- Oxygen*
- Pregnancy Test Kits
- Post Mastectomy Clothing
- Prosthesis
- Splints/Casts
- Support Hose*

- Syringes
- Wigs*

Medication

- Birth Control
- Homeopathic Medications*
- Insulin
- Prescription Drugs

Obstetric Services

- Lamaze Class
- Midwife Expenses
- OB/GYN Exams
- OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)
- Pre and Postnatal Treatments

Practitioners

- Allergist
- Chiropractor
- Christian Science Practitioner
- Dermatologist
- Homeopath or Naturopath*
- Osteopath
- Physician
- Psychiatrist or Psychologist

Therapy

- Alcohol and Drug Addiction
- Counseling (not marital or career)
- Exercise*
- Hypnosis
- Massage
- Occupational
- Physical
- Speech
- Weight Loss Programs*

*Items marked are "potentially eligible expenses" that require a Note of Medical Necessity from your health care provider to qualify for reimbursement.

INELIGIBLE EXPENSES

THE IRS DOES NOT ALLOW THE FOLLOWING EXPENSES TO BE REIMBURSED UNDER FSA'S, as they are not prescribed by a physician for a specific ailment:

- Cosmetic Surgery/Procedures
- Dancing/Exercise/Fitness Programs
- Diaper Service
- Electrolysis
- Personal Trainers
- Hair Loss Medication
- Hair Transplant
- Health Club Dues*
- Insurance Premiums and Interest
- Long Term Care Premiums
- Marriage Counseling
- Maternity Clothes
- Sunscreen
- Swimming Lessons
- Teeth Whitening/Bleaching
- Vitamins or Nutritional Supplements

*Items marked are "potentially eligible expenses" that require a Note of Medical Necessity from your health care provider to qualify for reimbursement.

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Your Benefit Access VISA® Debit Card gives you immediate access to funds stored in your health care or dependent day care accounts. Just select "Credit", no PIN is required.